

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOHN) APPEAL NO. 07-A-2501
AND NANCY-JO BENSON from the decision of the) **AMENDED***
Board of Equalization of Valley County for tax year) FINAL DECISION
2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing February 22, 2008, in Cascade, Idaho before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellants John and Nancy-Jo Benson appeared. Assessor Karen Campbell, Deputy Assessor Deedee Gossi and County Appraiser June Fullmer appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RP16N03E277275A.

The issue on appeal is the market value of an improved lot.

The decision of the Valley County Board of Equalization is modified.

* Amended decision to correct typographical number error on improvements value on Page 1 and 4, as bolded.

FINDINGS OF FACT

The assessed land value is \$202,840 and the improvements' valuation is **\$25,320**, totaling **\$228,160**. Appellants request the land value be reduced to \$115,000, and the improvements' value be reduced to \$1,700, totaling \$116,700. At BOE subject's land value was lowered from \$258,410 to \$202,840.

The subject property is a 2 acre lot, with a well (no septic), along with a 12' x 24' dry cabin, located near Donnelly, Idaho.

Appellants explained a portion of subject is unusable because of an easement allowing access passageway to neighboring properties. It was argued the easement negatively affected subject's value.

Taxpayers submitted 2005 and 2006 bare land sales along with several current listings. The 2006 bare land sales ranged between .90 and 2.56 acres, with sale prices between \$75,000 and \$150,000. The .90 acre lot sold for \$75,000 and was in subject's immediate area.

The County stated subject's assessed land value went from \$80,710 in 2005 to \$258,410 in 2007. At BOE subject's assessed land value was lowered to \$202,840, which included a negative 5% adjustment for the easement. In order to achieve a ratio between 90% and 110% of market value, as required by the State Tax Commission, Respondent adjusted subject's land value upward.

Respondent noted subject's improvement value had not increased significantly over the prior year.

The County presented four bare land sales located in close proximity to subject. Although the sales were smaller acreage, they were the only sales available to the County. The sales ranged between .219 and .900 acres, with prices between \$85,000 and \$150,000. Only one of the sales took place in 2006; a .90 acre lot which sold for \$150,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the

parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-201(10) defines market value:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellants did an excellent job of researching information for the Board to review. The Taxpayer's presented three 2006 bare land sales nearly the same size as subject. Respondent did not challenge the comparability or otherwise attempt to distinguish subject.

Appellants and Respondent each presented a sale involving a .90 acre lot close in proximity to subject. One sold for \$75,000 and the other for \$150,000. This large discrepancy for identically sized lots indicated there were likely unknown factors inherent in the sales. Additionally, the lots are less than half the size of subject, so there are obvious questions of comparability.

In looking at Respondent's remaining three sales, the largest of the three sales is .268 acres, or nearly one-eighth the size of subject. These parcels are just too small for comparison with subject, especially given Appellants sales involving lots similar in size to subject.

Appellants have asked this Board to reduce subject's land value to \$115,000. Given the evidence presented in this matter the Board finds the recent and similar size bare land sales better supports a land value of \$131,000. Therefore, the Board will reduce subject's land value to \$131,000.

The taxpayers did not provide evidence to support a reduction in subject's improvement

value. Accordingly, the Board will uphold the assessed value of the improvements.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in the assessed land value to \$131,000 and with improvements' value to remain at **\$25,320**, resulting in a total assessed value of **\$156,320**.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED APRIL 3, 2008